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ABSTRACT

A study examined the decision making climate of organizations that are using issues management and what type of model of issues management is followed--theorists have been attempting to define issues management since it began appearing 20 year ago. Subjects, 112 males and 30 females who were professionals working in the area of issues management and members of the Public Affairs Council, responded to a questionnaire sent to 499 randomly selected members of the council. Respondents were assured that information from the questionnaire was to be used for scholarly purposes. Results indicated that the majority of respondents worked in organizations that have an open climate that facilitates participative management practices, and that a predominant style of issues management exists among the respondents. Results also indicated that three key indicators of a participative decision making climate were: (1) the member of the organization participated in the adoption of new policies in the organization; (2) the member of the organization participated in the adoption of new programs in the organization; and (3) the organizational member's say had influence in the workplace. Findings suggest that organizations with issues management are less complex and bureaucratic than other organizations. (Contains 23 references.) (RS)

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The Organizational Decision Making Climate .of Issues Management Programs: A Case Study

A paper presented at the annual convention of the
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Presented by Sandra Wills, Ph.D.

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INTRODUCTION

As an information system, issues management at least theoretically, may be an effective source of information in the decision making process of key decision makers. Theoretically, certain models of issues management indicate that it is a program established in the organization to collect information for its members through various means such as literature reviews and contacts with specialists. Issues management uses various sources of information to research issues that have or will have a direct or an indirect impact on the operations and successes of the organization. The various models of issues management also indicate that issues management can play a role in the decision making process. Some models play a greater role than others.

However, this speculation that issues management can be a relevant and effective contributor to the decision making process has not been thoroughly tested. Very few studies, for example, provide evidence of what types of issues management operates in organizations. Thus, the question remains as to which type of program exists in practice. This will help us to explore the presumption that in many cases, issues management serves a critical and vital function in the decision making process. Moreover, since we know issues management programs do not exist in all organizations we can examine what type of organizations have issues management. Specifically, we can try to identify what decision making climate or culture exists in organizations that have issues management. Does the decision making presume underlying participative management practices or is it a complex environment that promotes rigid bureaucracy?

Several research questions have resulted from the review of the literature on issues management and decision making climates. The research questions are as follows:

Research Question 1

What type of issues management is being used in most organizations?

Research Question 2

Is issues management used in decision making in the organizations?

Research Question 3

What is the predominant decision making climate of organizations with issues management programs?

Research Question 4

Is there a correlation between whether issues management is used in the decision making and the decision making climate?

Issues Management as an Information Source or a Decision Making Strategy

Theorists have been attempting to define issues management since it began appearing in organizations some twenty years ago by developing models and typologies (Chase, 1984; Dansker, Loftin, & Veldwisch, 1987; Heath, 1988; Nelson & Heath, 1986).

Most agree that all the models exists follow a basic process of issues management. This process involves three stages including 1, identification of the issues; 2, analysis of the issues; and 3, development of responses to the issues. These phases are carried out by a unit or a group that is established within an organization. Through various means, this unit or group monitors information about issues developing both inside and outside of the organization that can have a direct or indirect impact on its existence. Ideally, the information gathered (by way of media monitoring, literature reviews, focus group analyses, and computer networking to name a few) is incorporated into the policy planning and strategic planning of the organization. Some writers suggest that, ultimately, the purpose of issues management is to maximize surprises by serving as an early warning system (Wartick & Rude, 1986).

In the first phase of issues management, the identification phase, the system identifies issues. Issues are defined as an event or a situation that has some significance to the organization. Ewing (1987) adds that the situation or event becomes an issue for the organization if there is a chance that it can somehow affect how the organization operates. Specifically, the issue arises when it is decided that it can affect the success of the organization.

In the second phase, known as issues analysis, the issues management strategy begins to interpret the issues and to define what the implications of the issues will be for the organization. In this analysis, the nature of the issue becomes crystallized. It becomes clear as to whether the issue is primarily internal or external and whether it is political, legislative, economic, or social (Ewing, 1987).

The clarification of the issues is a result of using a number of tools of analysis. Wilson (1990) has described a number of tools that involve drawing on the knowledge and experience of indigenous personnel and using a comprehensive approach to the interpretation that requires drawing information from corporate, public, and media as well as looking at the social, historical, cultural, economical, and political elements that surround the issue; and identify other factors in the issues such as relationships that can predict changes and shifts. Other tools include the use of computer networking which is especially helpful in integrating information from various sources in the analysis stage.

Finally, in the third stage, a response to the information about the issues is developed. Ideally, this response takes the form of incorporating the information resulting from the identification and analysis of the issues into the strategic planning process or public policy planning. As mentioned earlier, one of the main purposes of issues management is to minimize surprises (Wartick & Rude, 1986), and this is accomplished by incorporating social concerns in the strategy and public policy of the organization, the organization is essentially dealing with events or situations as they emerge and before they become crises for the organization.

The literature indicates that the three stages of issues management can be carried out in different ways. For example, Heath (1988) has designed three models of issues management that clearly differ in terms of structure and approach to the issues management process. These three models include the centralized, diffused, and integrated.

The centralized model uses an organizational structure that has the issues management program run by one person or one issues management team. In this model, one person identifies which issues are of import to the organization. This one person also prioritizes the issues and decides what relevance the issues are to the organization. Other members of the organization sometimes enter the process at the response stage when an advisory group is formed of specialists from the organization.

The responses that arise from the group are then presented to decision makers in the form of official company positions.

The diffused model presents another way of going through the three stages of the issues management process that is in contrast to the centralized model. In the diffused model, no one person is responsible for implementing the issues management process. Senior administrators in the organization, such as vice presidents or division presidents, use their expertise (i.e., finance, research and development, communications, strategic planning, etc.) to identify issues of importance to the organization. The administrators help to estimate the importance of the issues and develop responses in the form of "internal and external market and policy adaptation strategies" (Heath, 1988, p. 37). In this model, issues management acts as a source of information to help the administration make decision in the area of policy planning and strategic planning. Rather than only providing the decision maker with information that is written in the form of official company positions, the diffused model allows decision makers to play an active role in all three stages of the issues management process.

The integrated model expands upon the diffused model. The integrated model incorporates the participation of other members into the issues management process in addition to senior administrators. In the diffused model, lower-level employees can also help to identify issues that they believe to be important to the organization. According to Heath (1988), this step, in fact, combines elements of the centralized and diffused model:

> Issues management personnel are responsible for reviewing operations to determine, with executive management, each operating unit's performance vis-a-vis the public policy plan . . .The integrated approach requires that management set a public policy philosophy to guide operations and communicated efforts. Managers must be actively involved beyond providing budgeting support; they must consider the policy implications in preparing the strategic plan and serve as spokespersons on behalf of issue positions. (pp. 38 - 39)

By incorporating more personnel into the decision making process, the integrated model gives each division its own issues management force.

As it is presented in the literature, issues management appears to be a strategic approach to the management of information. A review of the various typologies of issues management programs indicate that as information strategies, they serve different functions in the decision making process. Dutton and Ottensmeyer (1987), for example, suggest that issues management plays one of two basic roles in decision making in organizations. In one type of program, issues management operates in a predominantly advisory capacity because it facilitates the organization's adaption to trends occurring outside the organization (Dutton & Ottensmeyer, 1987; Wartick & Rude, 1986). In the other type of program, it functions only as a way of reporting the external trends to the organization (Dutton & Ottensmeyer, 1987; Wartick & Rude, 1986).

These two types of issues management programs naturally represent different goals and objectives that eventually have different effects on the decision making process. In the advisory type program, issues management can serve to enhance strategic planning and/or decision making and to enhance corporate citizenship in order to facilitate the organization's adaption to the outside environment (Logsdon & Palmer, 1988). On the other hand, the goals and objectives of the reporter-type issues management program are to provide a system to help decision makers keep abreast of employee interests, or to help improve overall communications (Nelson & Heath, 1986). This type of program acts like an information holding center in that it is a place where information is stored. This program has no active function in the planning and decision making processes (Dutton & Ottensmeyer, 1987). Sometimes, it helps decision makers justify decisions already made (Dutton & Ottensmeyer, 1987).

Types of Decision Making Climates

A review of the literature on organization structure indicates that the complexity of structure can affects the type of decision making that occurs in the organization. One widely discussed dimension of organization structure is vertical complexity which is the number of levels in the hierarchy or bureaucracy. This vertical complexity will influence whether the climate fosters participative management practices or highly centralized practices both of which allow for different degrees of freedom in decision making. The former allows for a relatively high degree of freedom in which members of the organization believe they have a certain amount of independence in decision making. They feel they can make decisions without

with supervisors etc. The latter, centralized environment, fosters a feeling in the members of the organization that they have little freedom in making decisions on their own. Most every decision has to be checked with supervisors.

The studies on organization structure also indicate that structures affect the overall performance of organizations. According to Peters and Waterman, their review of excellent companies suggested that less complex organizations perform better than more complex ones.

> We found less layering at most of the excellent companies . . . Excessive layering may be the biggest problem of the slow moving, rigid bureaucracy. . . extra levels of management may create distracting work for others to justify their own existence. Everyone appears busy but in reality it is simple management featherbedding (Peters and Waterman, 1982, p. 270).

According to Lovich (1986), a primary assumption underlying participative management practices is that involvement in decisions affecting one's work usually brings about a degree of commitment to tasks that hierarchical direction could not inspire consistently. In a study to examine that assumption in the State of Washington's Civil Service System, the existing performance appraisal was replaced with a mandatory system of collaborative annual evaluation. With an intergovernmental personal act grant, a research team from Washington State University conducted a panel study of over 400 state employees immediately before implementation of the new system (April - May 1976) and some 18 months later. Results of participative management intervention among employees with enriched and nonenriched jobs were studied. The degree of job enrichment was determined by using the Motivating Potential Score (Hackman & Oldham, 1975). In organizational climate, job satisfaction and work-related aspirations affects of participative management were more positive for the low-enrichment employees than the high enrichment personnel (Lovich, 1986).

Organizations that have decentralized decision making are generally perceived to have a warmer, more supportive, and more risk-encouraging climate than centralized organizations (Phensey & Payne, 1970, Litman & Stringer, 1968; George & Bishop, 1971).

According to these studies, the less complex structures foster such characteristics as commitment from members of organizations, a warmer and

supportive climate and risk taking. These characteristics also are part of what make-up excellent organizations as defined by Peters and Waterman (1982). Interestingly enough, the excellent companies that the researchers studied in 1982 were found to be less complex and the authors suggested that this accounted for part of why they performed better than more complex organizations.

METHOD

Respondents

The study comprised 148 (112 males and 30 females) who were professionals working in the area of issues management in organizations across the United States. The respondents were randomly selected from a list of the issues management practitioners who were members of the Public Affairs Council located in Washington, D.C. The age of the respondents ranged from 31 to 65, the average age being 43. The average number of years the respondents had been working in their current positions was 4.7 years.

Participation in the study was voluntary. However, there was an incentive for respondents to participate. Any respondent who completed and returned the survey was entered in a draw for a $200.00 travel agency gift certificate. The winner of the draw would receive the certificate.

Procedure

Questionnaires were mailed with self-addressed, stamped envelopes to an original sample of 499 randomly selected issue management professionals in organizations across the United States. The respondents were given a deadline by which time the survey had to be completed and returned. They were also guaranteed confidentiality and given a complimentary ball-point pen with which to complete the questionnaire. A covering letter was also included in the package. It assured respondents that the information from the questionnaire was to be used for scholarly purposes and informed the respondents of their chances to win the draw for the travel agency certificate.

A second package was sent to respondents who did not respond to the original mailing. The second package included the questionnaire and covering letter advising the respondents of a new deadline.

Instrument

The questionnaire used was based on a questionnaire used in another study to determine the type of issues management programs were being used in organizations in the United States and in Canada (Wills, 1991). That original questionnaire was modified to include a section designed to get information about the decision making climate of the organizations. These questions were derived from existing research on decision making by Aiken and Hage (1966) and Vroom (??).

A final draft of the questionnaire was pretested for readability and clarity among an undergraduate class in public relations writing composed of eight students. The questionnaire was also tested for the accuracy of the assumptions about issues management that were inherent in some of the questions. This second testing was done at a special conference for issues management researchers. Four of the researchers reviewed the questionnaire. The third and final test of the questionnaire was conducted by a prolific researcher in the area of issues management.

The final questionnaire was three pages of closed-ended questions which was divided into a section to collect background on the issues management program (6 questions), how the issues management program operated (27 questions) and what was the organizational decision making climate (12 questions).

Data Analysis

As this was an exploratory study to answer specific research questions, and not hypotheses, the primary means of analyses was descriptive statistics that were computed by the SPSSx program (Statistical Package for the Social Sciences). The descriptive statistics were also used to determine the predominant organizational climate of where the respondents worked. Consequently, the statistics were used to determine any associations between the predominant organizational climate and the way issues management worked in the organizations. These statistics were also used to identify the frequencies and tendencies that the respondents said occurred in their organizations when it came to issues management.

RESULTS

The Organizational Decision Making Climate

The results of the study indicated that the majority of the respondents worked in organizations that have an open climate that facilitates participative management practices. According to the answers to the questions in the section on the organization's climate, most of the organizations practiced decentralized decision making.

Specifically, there were 12 areas that indicated an open management style because of the high level of self-governance and authority that the respondents describe. Of the respondents, 55.4% said that they can take action without needing the approval of a supervisor on minute matters. Seventy percent of the respondents said that they are not discouraged from making their own decisions. Nearly 80% said that it is not necessary to refer to a higher up on small matters. Another 80% reported that they do not need their boss's approval on any decision they made.

In terms of participating in the decisions to hire new staff, 56.1% said they often participate or always participate in the decisions, while another 26.4% said they sometimes do. Also in the area of personnel, 52.7% said they often or always participate in decisions on the promotion of professional staff. Another 18.8% said that they sometimes do.

The results are similar when looking at the decision making on the adoption of new programs. Again, 66.2% said they often or always participate on the decisions on adopting new programs. Thirty-six said they sometimes do.

When respondents were asked how much say or influence they felt they had on what transpired in the workplace, 79.8% said they felt they had quite a bit or a very great deal of influence. Another 87.7% said that they felt they could influence the decisions of their immediate supervisor regarding matters they were concerned about. Another 97.3% said their immediate supervisor asks for their opinion when a problem comes up that involves their work. Finally, 95.5% said it was very or fairly easy to get their ideas across to their immediate supervisor for improving the job or changing the setup in some way.

The Predominant Issues Management Style

The results indicated a predominant style of issues management among the respondents of the study. Below is a description of that style.

The results indicated that the average length that the program existed was 3.7 years. Of the respondents, 41.2 percent said that anywhere from 1 - 6 people were employed by the program. (Twelve point eight percent said they only employed one full time person, while 23% did not answer the question.)

Fifty-five percent of the respondents said that they did not have a set of procedures or plans by which the issues management program was run. The ultimate authority of the issues management program most frequently cited by the respondents was the CEO (30.4%) followed by the vice president (29.7%). The average number of hours the CEO spent in a week on issues management was 1.3 hours.

The respondents indicated that the activities of the issues management program included gathering information about issues (80.4%); research and analyzing issues (76.4%); developing options to dealing with the issues (73.4%); and identifying and tracking issues (69.6%).

The respondents reported that they dealt with issues that were occurring over a certain time period. The time period most frequently cited was 1 - 5 years. Thus, respondents said that they dealt with issues (trends) of the short-term future.

A great deal of the respondents (80.4%) said that the issues they gather were analyzed. They also indicated specific methods used to analyze the issues which included brainstorming (50.7%) and scenario building (52.7%). Other techniques such as issue priority matrix were not often used in the programs of these respondents.

The different options of responding to the issues were presented to key members in the organization. According to 71.6% of the respondents, the options were presented to senior management. Sixty-eight percent said the results of the issues management activities were given to executives in the organization on an ad hoc basis (47.3%) while the rest of the respondents said they reported on a daily (3.4%) or quarterly (13.5%) basis.

While a majority of the respondents (57.4%) indicated that the vice presidents decided who would analyze the issues, they also indicated that usually it was the staff of the issues management program that analyzed the issues. The staff was also in charge of tracking the issues according to the data (44.6% of the respondents).

These issues were tracked by using specific methods including networking with specialists (64.2%), media monitoring (75%) and reviewing of special journals (63.5%). Other methods such as computer networking and using consultants where cited by 40% or less of the respondents.

Finally, a great majority of the respondents (83.8%) said that the information from the issue management team was used to change policies and strategic plans in the organization. The respondents indicated that this was facilitated by having the issues management team meet with top management to discuss its findings. Half of the respondents agreed that this meeting was one on an ad hoc basis. The rest of the respondents indicated a number of different times ranging from meeting on a daily basis to a quarterly basis.

Management was also kept informed through written documentation of the results according to the data (75%). Again, most frequently agreed upon answer on how often this occurred was on an ad hoc basis (47.3%).

Association between the participative decision making climate and issues management style

The results also suggested that certain correlations between the participative decision making climate of the organizations and the way issues management was used in the organizations. Specifically, three of the key indicators of a participative decision making climate had correlations to issues management practices. These three indicators included the following:

Indicator One: The member of the organization participated in the adoption of new policies in the organization.

Indicator Two: The member of the organization participated in the adoption of new programs in the organization.

Indicator Three: The member of the organization's say had influence in the workplace.

The issues management practices that had a correlation between these indicators suggested that issues management played a role in the decision making of the organizations.

First there was a 95% correlation between indicator one with respondents who said that the information from issues management was used to change policies. There was also a 95% correlation between indicator one with respondents who said that the issues management people met with top management (key decision makers). the

results also indicated a correlation of 75% between indicator one with the practice of a member of the organization seeking advice from issues management people on specific issues.

Second, the results suggested a 94.7% correlation between indicator two with the the practice of using issues management information to change policies. Another 94.7% correlation was indicted between indicator two and the practice of issues management meeting with top management. A 74.7% correlation was indicated between indicator two and the practice of members of the organization seeking advice on issues management on specific issues.

Third, the results suggested a 93.8% correlation between indicator three with the practice of using issues management information to change policies. Another 93.8% correlation was indicated between indicator three and the practice of issues management meeting with top management. A 75% correlation was indicated between indicator three and the practice of members of the organization seeking advice for issues management on specific issues.

CONCLUSION

There is one primary limitation of this study and that is the relatively low return rate of the questionnaires. There are two reasons why the findings should still prove insightful. First, most of the findings have very strong indications because in most cases they include figures with as much as 95% of the respondents agreeing on an issue. That is an indication of some validity. Second, even with a low return rate we are still dealing with a respectable sample of 148 which, when coupled with the strong agreement of the respondents, should not be ignored.

The purpose of this study was to determine the decision making climate of organizations that are using issues management and what type of model of issues management are followed. This study has indicated that the organizations with issues management are less complex and bureaucratic than other organizations. According to the participants, there is less layering and a greater degree of independence in the decision making. Additionally, the issues management programs found in these organizations operate in a fairly independent way, with little formal structure. If the predominant issues program found in most of these organizations follow any of the models in the literature it is the integrated model described by Heath (1988). In operating in an integrated fashion, the study has found that the organizations

incorporate the results of the issues management process into the decision making process in a way that is more significant than if the issues management functioned in say the centralized or diffused fashion. As the data suggests, in these organizations information from issues management is given to senior management, used to change policy, and used to give advice to key decision makers.

What this study might also suggest is that when combined with the right decision making climate, issues management can make significant contributions to the decision making process. Subsequently, a less complex climate might allow for an integrated model. (One cannot see that a highly bureaucratic, complex climate would foster an independent, relatively structrure-less issues management program.) As a result, we arrive a type of informed and decision making that is encouraged in the literature on decision making. Issues management in the less complex climate provides an information strategy that optimizes the use of information in an effort to link information collected to the kinds of decisions needed to be made in organizations (March & Sevon, 1988). As this study has suggested, the information goes directly to the key decision makers who use it as they seek counsel from the issues management professionals and to help them develop policy. In achieving this, these organizations are managing to achieve "a tight linkage" between flows of specific information and the making of specific decisions (March & Sevon, 1988, p. 434).

While we can see that the study has contributed to our understanding of the role of issues management in contemporary organizations, key questions remain. We find, for instance, that the literature says that a characteristic of an organization that performs excellently is that it is usually less complex. Since this study found the majority of these organizations to have that characteristic can we begin to presume that organizations with issues management programs perform better? Moreover, we have to explore the question of whether issues management programs are best suited for a particular decision making climate. Can it make an equally effective contribution in a more complicated, bureaucratic organization or will such an organization stifle that contribution? Perhaps explorations of these area can further our understanding of issues management and provide insight that can have direct applications to organizations.

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